Real Time Information: Timing of real time PAYE returns

HMRC has provided some clarification on the definition of "on or before" where it applies to pay day, which can be found on the HMRC website at: http://www.hmrc.gov.uk/news/rti-paye-returns.htm

P800 Tax Calculations

Following recent upgrades to our computer systems, we are able to reconcile the information we hold on customers who contacted us earlier this year to be taken out of Self-Assessment. This will result in an increased number of forms P800 being issued this month. As with all P800s it is important that the information is checked to make sure all income and any benefits and reliefs are listed and the amounts (including the tax allowances) are correct.

Further guidance is available http://www.hmrc.gov.uk/incometax/p800.htm

Tax code operated on 'trivial commutation' and similar lump sum pension payments.

From April 2013 the tax code operated on these one-off lump sum pension payments will change from the emergency code (on the non-cumulative or week1/month 1 basis) to the basic rate (BR) tax code also operated on the non-cumulative basis. Click the link for further detail: http://www.aat-interactive.org.uk/cpdmp3/2012/November/The%20Professional/Lump%20sum%20pension%20payments.pdf

Draft amendments to the PAYE regulations will be published for consultation, along with a Technical Note, on 15 November 2012. The consultation will close on 9 January 2013.

Did you know that HM Revenue & Customs (HMRC) produce Toolkits to help reduce errors in returns?

There are 20 Toolkits covering a range of taxes including Income Tax, Corporation Tax, CGT and VAT. Some specific areas include Directors' Loan Accounts, Losses and Capital Allowances.

The Toolkits provide guidance on areas of error that HMRC frequently see in returns and set out the steps that professional agents can take to reduce those errors. They are aimed at helping and supporting you to:

- ensure that returns are completed correctly, minimising errors
- focus on the areas of possible error that HMRC consider key
- demonstrate reasonable care

They are updated at least annually to make sure they are up to date and relevant.

Recent feedback from agents who are already using the Toolkits:

- "Made a very complicated subject fully understandable, even after much reading from standard text books"
- "Excellent, covered the whole subject with clarity"
- "They provide an insight to HMRC's thinking"

Find out more about the Toolkits by visiting and download copies at: http://www.hmrc.gov.uk/agents/prereturn-support-agents.htm

If you are already using the Toolkits HMRC would like to hear about your experience of them. A new online feedback form has been introduced - your comments will be used to help develop and prioritise future changes and improvements to the Toolkits: http://www.hmrc.gov.uk/agents/toolkits-feedback.htm

PAYE real time information (RTI) pilot expands

I'm pleased to report that the RTI pilot is still on track and going well.

From today, the next phase of the pilot begins as planned. This phase will see large numbers of employers joining the pilot in stages to the end of March 2013. By that time we expect to have PAYE records for around 6 million individuals reported in real time by up to 250,000 employer and pension provider schemes,.

We already have over 1800 PAYE schemes with 1.97 million individual records successfully reporting in real time.

The pilot includes a wide range of employer types and sizes, who employ between one to over one million individuals and who use commercial software, payroll services and HMRC's Basic PAYE Tools.

This further expansion will ensure that we have thoroughly tested the system. We continue to learn from the pilot about how best to prepare employers for national roll out in April and to iron out difficulties experienced by a minority of pilot employers.

Feedback from employers in the pilot has been really positive with comments like:
- "We felt it was easy, go for it."
- "Don't be frightened to start it."
- "It was not a problem at all".

External confidence is growing with more software developers and large payroll bureaux asking to come on board or extend their existing involvement.

We are also listening to feedback that suggests we need to increase our communications between now and April, to ensure employers of all sizes hear very clear messages about what they must to do be ready for RTI in April. Our communications are planned to build up from next month and will be tested first through key stakeholders.

While we will use a variety of media channels to get these messages across to all employers, please support us in doing so through your own members/representative groups

The very largest employers - those with more than 5,000 employments – have been contacted to encourage them to report in real time during 2012-13. This will benefit them as, if they do so, they will not have to complete the 2012-13 end of year processes (because the information will

be on their Full Payment Submission). Where early dates are not possible, we have arranged dates between June and September 2013 so that they avoid period when they will be concentrating on their end-of-year work and pensions' auto enrolment.

All remaining employers will start to send PAYE returns in real time in April 2013.

A press Release has been issued today. http://hmrc.presscentre.com/Press-Releases/RTI-pilot-hits-the-next-level-682cd.aspx

'Where's my reply?'
Online Progress Chasing Tool

- An important strand of the improvements being taken forward as part of the Joint Initiative on HMRC Service Delivery (you can read the latest joint statement here) is post handling in HMRC. We have been looking, with the Working Together Post Working Group, at where problems and logjams exist and what we can do to resolve these.

- Agents told us clearly that it would be helpful to know when they could expect to receive a reply to a query or a request so we have published an online progress chasing tool. 'Where's my reply?'

- This online tool allows PAYE employees and agents to self-serve and check when a response can be expected to some correspondence. Agents can also use 'Where's my reply?' to check progress on an application to act on behalf of a client (form 64-8).

- This is a pilot which began in July 2012. We'll evaluate the results and, if the initial testing is successful, we'll consider adding more options and products to enable customers to check when they can expect to hear from us.

- We are very keen to receive feedback so that we can measure customer experience so if you have used the online progress chasing tool please let us know what you thought of it by completing the feedback form here
http://www.hmrc.gov.uk/tools/progress-tool/reply-tracker.htm

We also wanted to draw your attention to the following articles recently published on the HMRC website which we think might be of interest:

- [HM Revenue & Customs: HMRC Contact Centre performance and management information](#) As part of the Joint Initiative on HMRC Service Delivery (JISD) we are making more information available about how we are doing;

- [HM Revenue & Customs: Message from Edward Troup, HMRC's Tax Assurance Commissioner](#) Improved transparency about our decision making process for tax disputes through a new Code of Governance; and

- [HM Revenue & Customs: Fresh approach to Business Records Checks](#) Following a review of the pilot programme a new approach to Business Records Checks began on 1 November.

New way to register a business for VAT

The online tax registration service for Self Assessment (SA), Corporation Tax (CT) and PAYE for Employers has been available since 11 April 2012. On 31 October 2012 VAT was added to this service.

The service can be accessed direct from the [HMRC website](#).

At the same time as VAT registration became part of the online tax registration service, HMRC introduced a new variations service. This means you can now do the following online:

- Register a client business for VAT
- Attach necessary documents, for example when applying for Group Registration (VAT Forms 50 and 51) or notifying of an Option To Tax (VAT 1614A)
- Carry out variations/make changes to some of the business VAT details (e.g. change the business name, but note that an agent cannot change the principal place of business or bank details on behalf of a client)
- Deregister online for VAT
- Apply for Annual Accounting or Flat Rate Scheme
- View and print the VAT certificate (if you have been authorised to act on behalf of your client for VAT using the Online Agent Authorisation service).

Note: If a client submits the VAT registration online itself, they will automatically be signed up to use the VAT Online service to file returns online. However, if you complete the registration on behalf of your client, neither the business nor you are automatically enrolled for the online service and you and your client will need to sign up as a separate process. This is to protect online security.
You can find out more about HMRC Online Services for Agents, including VAT Online, here.

You may be approached by a client to act as a 'delegate' and help them with their registration. If so, you will be able to review, add or amend the data prior to the client submitting the registration. Information does not have to be entered all at once as it can be saved and the application returned to for completion at a later date.

HMRC expect to process applications for registration four to six days faster than previously.

From April 2013, the HMRC systems and processes supporting VAT registration applications will be further enhanced. The time it then takes to issue a VAT Registration Number, for the majority of submissions received using the online service, will be reduced to three working days.

The online tax registration service does not replace the current agent authorisation process - the Online Agent Authorisation/64-8 process is unchanged.

To use the new variations service, access your client's record as before and select the 'Change registration details' option. Note that you will need to activate the service before you can make changes on behalf of your client.

You can find more information about registering your client for business taxes, including VAT, using the link below.

How to register your client's business with HMRC

End of bulletin